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1959/07/08

July 7-8, 1959

Synopsis of State and Intelligence material reported to the President

COMMUNIST CHINA

Peiping has apparently retreated on a fundamental feature of its communist system. A recent magazine article indicated that pheasants are no longer required to eat in communist messhalls.

IRAQ

Iraqi communists are reportedly planning a demonstration in Baghdad on the night of 9-10 July. If violence occurs this may well comprise a major test of determination and ability of Qasim to meet the communist challenge. Over the past few days Qasim has made some strongly worded speeches and open clashes between communists and anti-communists have occurred. Our Embassy has concluded that Qasim has decided to halt the communist party drive to increase its power and that there is some possibility that the Iraqi Communist Party will resort to desperate measures. The Embassy believes that more likely, however, the Party will refrain from forcing a final showdown.

Meanwhile, Qasim has requested 14 Canberra jet light bombers from the UK.

LAOS

Prince Souphannouvong has protested vigorously against governmental repression of his party. He has threatened to return to guerrilla warfare. Further protests from the communists can be expected over the introduction of American military personnel into Laos for joint US-French training of the Laotian Army. Ho Chi Minh of North Vietnam arrived in Moscow last week.

AUSTRIA

Chancellor Raab's decision to resign as Chancellor-Designate results from his failure to form a new government following the 10 May general election. There is a possibility of an unstable government and a drift toward the bitter partisanship of the prewar years.

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